

(iv) Provides that the holder has the right to redeem the obligation with the issuer of the obligation at the stated or par value and that this right may be exercised within a period of time that does not exceed the maximum maturity necessary for the obligation to qualify as a liquid asset under this paragraph (g)(11)(iv);

Provided further, That the amount of any obligation qualifying under paragraphs (g)(11)(i), (g)(11)(ii) or (g)(11)(iii) of this section that may be counted in satisfaction of the requirements imposed by § 566.2 of this part shall be the obligation's book value at the time of hedging; and *Provided finally*, That the board of directors of a savings association shall review on at least an annual basis the financial condition of each insured financial institution, and Association members from which it regularly obtains forward commitments;

(12) Mortgage-related securities as described in 12 U.S.C. 1465(b)(1)(C)(vi); and

(13) Mortgage loans on the security of a first lien on residential real property as described in 12 U.S.C. 1465(b)(1)(C)(vii).

[54 FR 49646, Nov. 30, 1989, as amended at 61 FR 50984, Sept. 30, 1996; 62 FR 62512, Nov. 24, 1997]

§ 566.2 Requirements.

(a) *Safety and soundness requirement.* In addition to meeting the minimum requirement under paragraph (b) of this section, each savings association must maintain sufficient liquidity to ensure its safe and sound operation.

(b) *Minimum statutory liquidity requirement.* (1) Except as otherwise provided in paragraph (c) of this section, each savings association shall maintain an average daily balance of liquid assets in each calendar quarter of not less than 4 percent of:

(i) The amount of its liquidity base at the end of the preceding calendar quarter; or

(ii) The average daily balance of its liquidity base during the preceding quarter.

(2) The average daily balance of either liquid assets or liquidity base in a quarter is calculated by adding the respective balance as of the close of each business day in a quarter, and for any

non-business day, as of the close of the nearest preceding business day, and dividing the total by the number of days in the quarter.

(c) *Reduction and suspension of liquidity requirements.* The Office may, to the extent and under conditions it may prescribe, permit a savings association to reduce its liquid assets below the minimum amount required by paragraph (b) of this section to meet withdrawals or pay obligations. The Office may suspend part or all of the liquidity requirements of paragraph (b) of this section whenever it determines that conditions of national emergency or unusual economic stress exist. Any such suspension, unless sooner terminated by its terms or by the Office, shall terminate after 90 days, but the Office may again suspend part or all of such requirement at any time.

[62 FR 62513, Nov. 24, 1997]

§ 566.3 [Reserved]

§ 566.4 Records; deficiencies.

Each savings association shall maintain records verifying its compliance with liquidity requirements prescribed by the OTS, and make them available to the OTS, or its representative, during supervisory examinations and at other times as the OTS may direct. The OTS may institute appropriate enforcement proceedings for any failure to comply with the liquidity requirements of this part.

[57 FR 14348, Apr. 20, 1992]

§ 566.5 [Reserved]

PART 567—CAPITAL

Sec.

567.1 Definitions.

567.2 Minimum regulatory capital requirement.

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